Vishesh Krishi Upaj Yojana Benefits for Cashew Exports

1. SHRI C. PERUMAL Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Cashew Export Promotion Council has requested to allow Vishesh Krishi Upaj Yojana benefits for cashew exports without imposing andy restriction from April, 2004; and

(b) if so, the reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) Vishesh Krishi Upaj Yojana is intended to promote the exports of specified agricultural commodities and thereby give a boost to the domestic agricultural sector. Export quality cashew is primarily imported into the country and after value addition is re-exported. The Govt. has therefore not agreed to the request of the Cashew Export Promotion Council of India.

FDI in Retail Sector

2. SHRI C. RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is considering to allow FDI in the retail sector in the country.

(b) the details of investment made by the domestic private sector in the retail industry in the last two years;

(c) whether Government have assessed the impact of this capital investment by the private sector in the retail market in India;

(d) if so, the details thereof;

(e) whether Government is considering to bring about changes in various existing laws such as land acquisition etc. for facilitating faster growth of the retail sector in the country; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (f) The extant policy does not permit Foreign Direct Investment (FDI) in retail sector. The FDI

policy, including new sectors to be opened for FDI, is reviewed on an ongoing basis. No decision has been taken on allowing FDI in the retail sector. The Government is carefully weighing the advantages and the concerns expressed in certain quarters on the likely impact of opening up the retail sector to FDI. No legislative changes are currently contemplated to facilitate faster growth of the retail trade sector.

Decrease in exports of I.T. and Electronics

3. SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether exports of Information Technology and electronics has decreased by 14.52 percent in the year 2004-05;

(b) if so, the reasons therefor; and

(c) the steps taken to increase the exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No, Sir. During the year 2004-05 Information Technology and Electronics exports were Rs. 86,230 Crores as compared to Rs. 65,940 Crores in 2003-04, registering a growth of over 30%.

(b) Does not arise.

(c) The steps taken by the Government of India to increase Electronics and Information Technology exports include: approvals for all Foreign Direct Investment Proposals in the Sector under the automatic route; reduction in the peak rate of customs duty to 15%; abolition of customs duty on ITA-I items; 0% excise duty on computers and exemption of excise duty on micro-processors, hard-disc drives etc.; allowing import of capital goods at 5% customs duty under Export Promotion Capital Goods Scheme; exemption of income-tax on export profits up to the year 2010 for Export Oriented Units/Software Technology Park/Electronics Hardware Technology Park units; reduction of threshold limit for obtaining "Export House" status for SSI units etc.; setting up of Special Economic Zones to enable hassle free manufacturing and trading for export performance; encouraging of e-Commerce by putting in place Information Technology Act, 2000 etc.